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C O N F I D E N T I A L SECTION 01 OF 03 PORT AU PRINCE 001393

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TAGS: [PGOV](#) [PREL](#) [HA](#)

SUBJECT: PREVAL DISCUSSES SECURITY, INFRASTRUCTURE, AND THE
ECONOMY WITH A/S SHANNON

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Classified By: Janet A. Sanderson for reasons 1.4 (b) and (d).

11. (C) Summary. Assistant Secretary Shannon pressed President Preval on July 25 to demonstrate ways the Government of Haiti, with international assistance, could address the lack of security in Port-au-Prince. Preval said that Haiti needed to take control of its ports (where illegal arms enter), fight drug trafficking, and pursue a national dialogue on security to create a better environment for economic development. Preval focused more on building a national highway network, described as his "obsession," hopefully with USG cooperation. He also sought support for HOPE trade legislation, debt relief, and technical assistance for collection of customs duties. While clearly aware of the immediate challenges facing his country on the security front, Preval still appears hesitant to take firm public action on this issue. End Summary.

12. (U) WHA A/S Shannon, together with Ambassador Sanderson, met July 21 for 90 minutes with President Preval, his senior advisor Bob Manuel, and economic counselor Gabriel Verret for a wide-ranging discussion on security, economic, and regional issues. WHA/CAR Director Brian Nichols and note takers also attended.

Fighting Haiti's Rise in Violence

13. (C) A/S Shannon stressed to Preval that improvements in security are critical to permit investment and economic development. The lack of security threatens not just stability and order but the government's plans for development. Preval stated he thought Haiti was "on its way to resolving the (security) problem." In his view, the violence could be attributed to gangs, drug trafficking and "political hands at work." To help bring order to the country, Preval has named two new officials; a Secretary of State for Public Security and a Secretary of

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State for Judicial Reform. Preval believes comprehensive reform both in the police and judicial system were needed to

effect change. Preval hopes the new officials keep the pressure on "violent elements." Preval also believes that national dialogue is an important element in combating violence in Haiti. Pointing to his handwritten notes in a school book, he said he is thinking of convening a conference with all sectors of society to discuss the issues of contraband, corruption, and lack of security.

¶4. (C) Preval advisor, Bob Manuel, raised the issue of counternarcotics, stating there was "no greater enemy to Haitian democracy than drug dealers." Preval considered that USG interest in countering drug traffic and drug transit through Haitian ports appears to have diminished. Ambassador Sanderson said counter narcotics was still important, but third countries were finding other transit ports. Shannon affirmed that the USG would welcome ways to improve collaboration in this area.

¶5. (C) To curb the flow of illegal arms into the country, Preval hoped that MINUSTAH would patrol the ports. The President noted the recent seizure of a container of weapons in the port. Whether the weapons were for political or criminal purposes, he recognized that his administration "needed to get a handle on it." Preval expressed disappointment over the fact that MINUSTAH would not agree to port protection, as that was not part of its mandate. According to Manuel, however, this may change as of August 15th because he understands that the UN SYG would recommend the new MINUSTAH mandate include language authorizing it to "protect institutions." Manuel and Preval both agree ports should be included as a public institutions.

Building Haiti's National Highways

¶6. (C) Preval stressed repeatedly during the meeting that building a national highway network is a priority. When asked how the international community could assist Haiti's

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democracy, Preval sprang from his seat and pulled out two three-by-five foot maps from the adjoining room detailing his vision of the national highway system, his self-described "obsession." Various countries had already committed to building portions of the national highway and he hopes other countries might match France's commitment of building 100 kilometers of roads. The President jokingly told Shannon there was easily 100 kilometers of road available for the U.S. and the A/S could choose a name for this portion of the highway. Preval himself dubbed the planned French-funded segment from Hinche to Cap Haitien "the road of perfect love."

Putting Haiti on the Right Track Economically

¶7. (C) Preval expressed interest in Governor Bush's proposal that Haitian customs revenues be collected at the port of embarkation in the U.S. Two weeks ago, he met with Swiss company, Societe General de Surveillance (SGS), which previously collected customs duties for Haiti in Miami. SGS told Preval that monitoring the flow of imports is difficult because of the firm's poor access to customs documentation. Preval considers these duties an important source of revenue for Haiti and hoped to improve access to this information. He pressed for this program, noting that he could not rely on Haitian customs to produce revenue; he believes controls are better in the United States. Shannon stated that he would discuss the proposal with DHS in Washington, if needed, but first the Ambassador would follow up with the Governor's office to determine the status of implementation.

¶8. (C) Preval raised the issue of HOPE trade legislation for Haiti, noting that a trade agreement with Oman had recently

been approved and that legislation concerning Peru would soon be considered by the Ways and Means Committee. He said he understood prospects were good for HOPE's passage. Shannon cautioned that passing trade legislation had become more difficult in the current political environment in Washington.

Preval looked disappointed and somewhat surprised. Shannon added that while trade legislation was a particularly sensitive issue (especially during an election year), if trade legislation for Peru succeeded it would be a good sign for Haiti.

¶9. (C) Preval's economic advisor, Gabriel Verret, raised the issue of debt relief for Haiti. Verret stated that the Inter-American Development Bank (IDB) board had met ten days earlier to consider debt relief for Haiti, Bolivia, and Nicaragua. Although the GOH had some problems with the proposal (which he said would limit Haiti's future borrowing to USD 30 million per year), the GOH was eager for forgiveness of USD 700-800 million in debt to the IDB, resulting in potential future savings of USD 20-30 million per year in debt service payments. Verret sought USG support for the IDB plan. Shannon reassured him that the effort to expand the G-8 debt relief proposal to the IDB was in fact a USG initiative.

Comment

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¶10. (C) Preval clearly has a strategic framework for addressing Haiti's problems that includes a structured partnership with the international community and building support among key domestic constituencies. However, Preval's inherent political caution may prevent him from moving with the speed necessary to resolve the most pressing issues. Preval appears to realize that he can no longer postpone more decisive action on security and will likely ask MINUSTAH and the Haitian National Police to take a tougher line in the coming days. Nevertheless, his reticence to speak out forcefully on security issues will leave those organizations alone and exposed if security operations go poorly. End Comment.

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¶11. (U) A/S Shannon has cleared this cable.
SANDERSON